

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1804
ANSWERED ON:17.07.2009
REDUCTION IN CUSTOMS DUTY
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has received requests from States including Gujarat for reducing customs duty on ship breaking from 5% to 0%.
- (b) if so, the details thereof ;and
- (c) the steps taken by the Union Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

- (a)&(b) Yes, Sir.Government of Gujarat had drawn attention to liberal duty concessions and lax environmental regulations in neighbouring countries, and requested for reduction of basic Customs Duty on ship breaking from 5% to 'Nil'.
- (c) The issue was examined as a part of the budgetary process for the budget 2009-10 and it was not found possible to accede to the request for duty exemption.